

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, February 07, 2020

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-chairman Bair, Johnson, Lee, Agenbroad, Crabtree, Grow, Burtenshaw, Woodward, Ward-Engelking, Nye

Representatives Co-chairman Youngblood, , Anderson, Amador, Kauffman, Erickson(Raybould), Syme, Troy, Toone

ABSENT/ EXCUSED: Horman, Wintrow

CONVENED: **Chairman Youngblood** called the Joint Finance-Appropriations Committee (JFAC) (Committee) to order at 8:00 a.m.

AGENCY PRESENTATION: **DEPARTMENT OF PARKS AND RECREATION, David Langhorst, Director; Rob Sepich, Senior Budget & Policy Analyst, LSO**

The agency's mission is to improve the quality of life in Idaho through outdoor recreation and resource stewardship. Parks and Recreation is primarily a dedicated funds agency, receiving less than 10 percent funding from the General Fund. The agency has 163.9 FTP, roughly the same number of employees for the last 12 years. During that same time, visitation and occupancy have increased by 60 percent. The agency is de-emphasizing its outreach and advertising due to park capacity issues.

Performance Measures: **Director Langhorst** reviewed specific measures and projects accomplished in 2019.

Director Langhorst answered committee questions related to the relevancy of some performance measures, Centennial Trail and GEM Trail developments, initiating a voluntary trail pass program, salary per classification and equity issues, and customers (about 6 million total).

2019 Actual Expenditures: Mr. Sepich detailed net object transfers, grants, operating expenditures, reversions, reappropriations, actual expenditures, rest room facilities, staff housing pilot program and options, determining facilities/services requiring fees, trail maintenance, and passport stickers (200,000 sold).

Comparative Summary: The outline illustrates a side-by-side analysis of the agency's request and the governor's recommendation. FY 2021 the governor recommends an appropriation of \$44,953,200, a 1.8 percent increase from the FY 2020 appropriation.

FY 2020: The Legislature funded seven line items for FY 2020:

1. \$42,000 for targeted pay raises for park rangers
2. \$43,500 for an office specialist
3. \$30,800 to convert three part-time FTP to full-time
4. \$2,025,000 to build a new Thousand Springs Administrative Building
5. \$432,000 for Americans With Disabilities Act enhancements at Lake Cascade
6. \$400,000 to pass-through registration fees to local agencies
7. \$3,100 for technology consolidation and modernization

Current year standard statewide adjustments recommended by the governor included the 1 percent onetime General Fund reduction. The department was authorized through **H 254** of 2019 to reappropriate and carryover \$10,737,300 for unencumbered and unexpended appropriation balance for capital projects in the Capital Development Program from FY 2019 into FY 2020. The governor recommends a rescission of \$102,500 from the General Fund to account for savings on two capital development projects completed under budget and an adjustment that removes amounts for replacement items, legislative carryover, and line items funded on a onetime basis in FY 2020.

FY 2021: The governor recommended ten line items and OITS technology and services:

1. Park Operations staffing for \$228,100
 2. Additional 9,000 hours of seasonal staffing across 23 parks that have seen the largest increases in visitation for \$77,700
 3. Additional funding for utility costs, increased visitation, and deferred maintenance costs for \$140,000
 4. \$275,000 from dedicated funds to pay third party vendor contracts for campsite reservations and retail sales
 5. 2.00 FTP from the Motorbike Registration Fund to hire two full-time equipment operators and seasonal support to expand Off Highway Vehicle trail maintenance for \$329,200
 6. Additional \$175,000 in operating expenditures and \$80,000 in trustee and benefit payments, for a total ongoing appropriation of \$255,000 from the Parks and Recreation Registration Administration Fund, to address increased Off Highway Vehicle registration sticker sales as a result of **H 75** of 2019
 7. Onetime appropriation of \$100,000 from the Parks and Recreation Fund to build a vault restroom
 8. \$120,000 in onetime capital outlay from the Parks and Recreation Fund for engineering designs for a sewer and water system at Eagle Island State Park
 9. \$80,000 onetime from the Parks and Recreation Fund to solicit vendors and purchase a premanufactured home suitable for on-site park housing at a known fixed cost
 10. Onetime appropriation of \$250,000 from the Parks and Recreation Fund to relocate the maintenance shop at the Trail of the Coeur d'Alenes
- OITS 1 – \$2,100 for operating costs for security software and office space at the Chinden Campus
- OITS 2 – \$105,400 for servers, licensing, and storage
- OITS 3 – \$101,000 Agency Tech Consolidation, Phase II
- OITS 4 – \$100 for agency billings

The department requests language be included in the FY 2021 appropriation bill that would allow transfers in response to various grants that the department administers on behalf of independent committees.

FY 2021 statewide adjustments recommended by the governor include benefit costs, statewide cost allocation, and CEC.

AGENCY PRESENTATION: LAVA HOT SPRINGS FOUNDATION, Devanee Morrison, Executive Director; Rob Sepich, Senior Budget & Policy Analyst, LSO

Technically budgeted under Parks and Recreation, Lava Hot Springs is a separate entity and receives a separate budget bill. All funds come from dedicated funds collected through ticket sales and reservations. The Foundation has 15.8 full-time classified employees. Hot pool and swimming pool attendance was over 440,000.

Performance Measures: **Executive Director Morrison** reviewed specific measures and projects accomplished in 2019; the Foundation's goals are to expand and maintain facilities. With the sustained growth, additional parking is needed to the point it has become a problem and a safety concern.

FY 2019 Actual Expenditures: **Mr. Sepich** highlighted reversions, operating costs, and operating expenditures.

Comparative Summary: The outline illustrates a side-by-side analysis of the agency's request and the governor's recommendation. FY 2021 the governor recommends an appropriation of \$2,902,000, a 15.8 percent increase from the FY 2020 appropriation.

FY 2020: The Legislature funded three line items for FY 2020:

1. \$40,000 for main entrance hardscaping
2. \$300,000 to build a public restroom facility
3. \$1,400 for technology consolidation and modernization

The governor recommends an adjustment that removes \$431,400 onetime funding that was provided for replacement items, the Governor's Technology Initiatives, and two line items.

Director Morrison and **Mr. Sepich** answered questions from the Committee regarding gift shop funding, hotel demolition, parking spaces, and future plans for a parking structure.

FY 2021: The governor recommended three line items and OITS technology and services:

1. \$500,000 in onetime capital outlay from the Lava Hot Springs Capital Improvement Fund to demolish the Tumbling Waters Motel across the street from the main hot pools and pave the site for additional parking
2. \$40,000 in ongoing operating expenditures from the Lava Hot Springs Foundation Fund to purchase additional items for resale
3. Onetime appropriation of \$10,000 from the Lava Hot Springs Capital Improvement Fund to purchase a bucket and backhoe attachment for the Kubota tractor that is requested as a replacement item

OITS 1 – \$200 for operating costs

Replacement items and alteration and repair projects include \$30,000 for six pumps and motors, \$102,000 to repair the gel coat and paint on the water slides, \$100,000 to replace splash toys in Kiddie Cove, \$18,000 to replace a tractor and mowing deck, \$8,100 for heat exchanger gaskets, and \$40,000 to repair or replace pool decks, for a total of \$298,100.

The governor recommends that language be included in the FY 2021 appropriation bill to grant continuous appropriation in the Lava Hot Springs Foundation Fund for gift shop merchandise purchases for resale and other related costs.

FY 2021: Current year statewide adjustments recommended by the governor include benefit costs, statewide cost allocation, and CEC.

AGENCY PRESENTATION: PUBLIC HEALTH DISTRICTS, Russell Duke, District IV Director; Jared Tatro, Principal Budget & Policy Analyst, LSO

The Public Health Districts budget is distributed among seven districts located throughout the state, and the appropriation is set for all seven districts at once. Idaho code requires a funding/distribution formula. Health districts receive appropriations, provided as cash transfers, from the General Fund and the Millennium Income Fund. Public Health Districts work cooperatively with but independently from other state agencies such as Health and Welfare and Department of Environmental Quality. Public health services include preventive health care; dental education, sealants and fluoride varnish; vaccines to adults and children; home visiting programs; procedures for proper septic systems installation, emergency response planning; and inspection of food establishments and child care facilities.

Performance Measures: **Director Duke** indicated that the agency's measures are intended to monitor the health status in Idaho. One measure relates to tobacco use, which has steadily but slowly declined; however, vaping continues to increase. Another public health concern is the number of adults who are overweight or obese: 63.5 percent of adults and 30 percent of third graders are overweight. According to the Center for Disease Control, today's children are projected to have a shorter life expectancy than their parents. Working to reverse that trend, the agency offers various programs such as nutrition education with financial assistance to purchase healthy foods.

Comparative Summary: The outline illustrates a side-by-side analysis of the agency's request and the governor's recommendation. FY 2021 the governor recommends an appropriation of \$10,462,800, a 1.8 percent decrease from the FY 2020 appropriation.

Director Duke answered Committee questions related to vaping hazards, the Corona virus, educational efforts, prevention, home visiting, grant programs, and community health. **Sara Stover**, Division of Financial Management, discussed the community health collaborative.

FY 2020: The Legislature funded three line items for FY 2020:

1. \$119,400 for the Community Health Collaborative
2. \$104,500 for Citizen Review Panels
3. \$1,600,000 through a transfer from the Department of Health and Welfare for the Home Visitation Program

The governor recommends removing \$119,400 of onetime appropriation for the first year of the improved health transformations program.

FY 2021: Current year statewide adjustments recommended by the governor include benefit costs, statewide cost allocation, CEC, and the 2 percent General Fund Reduction. Two line items were requested but not recommended by the governor:

1. Public Health Districts request \$2,000,000 ongoing from the General Fund to continue implementing the Home Visitation Program. (The Governor recommends \$1,000,000 in the Department of Health and Welfare for the same program.)

2. Public Health Districts 3 and 4 request \$105,400 onetime from the General Fund to continue building a foundation for the ten-county community health initiative for western Idaho.

The governor recommended \$1,200 in OITS operating costs.

AGENCY PRESENTATION: **CATASTROPHIC (CAT) HEALTH CARE FUND, Kathryn Mooney, CAT Fund Program Director; Jared Tatro, Principal Budget & Policy Analyst, LSO**

The Catastrophic Health Care Program was established to meet the needs of medically indigent residents in Idaho who do not qualify for state or federal health and welfare programs but do qualify for county assistance. **Mr. Tatro** indicated that this program is not a typical state agency. They are quasi independent. There is a contract to manage the program with the Association of Counties. The CAT Program receives a General Fund transfer as part of its appropriation.

Performance Measures: The agency receives an independent audit with no audit findings to report.

FY 2019 Actual Expenditures: **Mr. Tatro** referred to a table that shows expenditure information on cases paid by the state, the county payment total, supplemental, and reimbursements.

Program Director Kathryn Mooney discussed the CAT Fund working process and the timeline for claim submission. She and **Greg Johnson**, Lewis County Commissioner, a CAT Board member, answered Committee questions related to the individual reimbursement process and possible reinsurance to mitigate high claims.

FY 2020: The governor recommends a base reduction of \$5,500,500 from the General Fund.

FY 2021: Current year statewide adjustments recommended by the governor include statewide cost allocation of \$600. The governor's recommendation is for \$4,500,600 or 55 percent from the original appropriation.

ADJOURN: There being no further business to come before the Committee, **Chairman Youngblood** adjourned the meeting at 9:55 a.m.

Representative Youngblood
Chair

Jenny Miller
Secretary